

Town of Brookhaven Credit Rating Re-Affirmed at Aa2 by Moody's, Outlook Improved from Stable to Positive Standard & Poor's Re-Affirms at AA+ with Positive Outlook

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Town commended for strong and long tenured management team

Farmingville, NY - Supervisor Ed Romaine is pleased to report that Moody's Investor Services has re-affirmed the Town of Brookhaven's credit rating and improved the Town's outlook from Stable to Positive. In addition, Standard & Poor's re-affirmed the Town's credit rating of AA+ with a Positive Outlook.

The credit rating was issued in conjunction with the Town's planned \$39.3 million in bond sales scheduled for March 5, 2015.

Both ratings are in the top tier of the agencies ratings categories and considered high quality investment grade. A town's credit rating is an important and reliable indicator of its fiscal health determined by independent and objective fiscal monitors. A higher credit rating saves the town money on its borrowings in the form of lower interest costs.

Supervisor Ed Romaine said, "The re-affirmation of our strong credit rating from both Moody's and S&P is a clear indication that our conservative fiscal policies have led the Town to financial stability. I'd like to thank Commissioner of Finance Tamara Wright, Chief of Operations Matt Miner, Sole Assessor Jim Ryan and Councilwoman Jane Bonner for the work they have done in the strong management of the Town's finances. Our reduction of debt, spending cuts and tight budgetary controls, have saved millions of taxpayer dollars while still providing the services that our residents deserve."

Councilwoman Jane Bonner, who serves as the Town Board Liaison to Finance said, "As we move forward on a path of fiscal discipline, I will continue to work closely with the Supervisor to streamline Town government and improve our financial stability. Our number one priority is to protect the taxpayers and assure them that we are doing the best that we can to protect their interests."

Moody's identified the Town's strengths as:

- A large tax base with above average income levels
- A strong management team and fiscal policies
- A significant institutional presence provides workforce stability."

Moody's also noted that the move to a Positive Outlook is an indication that if the trend continues towards structural balance, the Town will be eligible for an upgrade.

In affirming the town's AA+ rating and Positive Outlook, S&P noted that they "view the town's management conditions as very strong, with strong financial practices combined with a consistent ability to maintain balanced budgets." Their positive outlook also reflects a view that "Brookhaven's budgetary performance may strengthen over the two-year horizon, while the town's debt and contingent liability position is held at least constant."

The S&P report also indicates that Brookhaven's economy is "very strong" and noted that "several near- and medium-term economic development projects, including a transit-oriented redevelopment project (the Ronkonkoma hub), should aid in the future growth of the tax base."

In addition, S&P's AA+ rating and "positive outlook" reflects their opinion of the Town's:

- Very strong economy, which benefits from participation in the broad and diverse New York - New Jersey economy;
- Very strong budgetary flexibility with 2013 audited general fund reserves at 26% of general fund expenditures;
- Very strong liquidity providing very strong cash levels to cover both debt service and expenditures; and
- Very strong management with strong financial policies with a consistent ability to maintain balanced budgets.

The S & P report also noted that they would consider raising the rating "If the town continues to work toward reducing its reliance on reserves to balance subsequent-year budgets in the wake of recent declines in economically sensitive

revenues, maintains structural balance, and achieves stability in reserves."

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